

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room
July 14, 2022 – 3:30 p.m.

Please note all members participated via telephone, video, or teleconference:

Members present:

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2024
BETH PEARCE, VT State Treasurer
ERIN CARTER, Active Member Representative, term expiring July 1, 2023
DANIEL RADDOCK, Financial Regulation Representative
EMILY SIMMONS, representing Secretary of Agency of Education
GENEVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025
PERRY LESSING, VRTA Alternate Representative, term expiring July 1, 2024
SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025

Also attending:

Michael Clasen, VT State Deputy Treasurer
Tim Duggan, Director, Vermont Retirement Systems
Tom Golonka, VPIC Chair
Eric Henry, VPIC Chief Investment Officer
Katie Green, VPIC Investment Officer
Stephen Barry, Financial Administrator I, Retirement Division
Owen Doherty, Executive Assistant to the Treasurer
Steve May, Hickcock and Boardman

The Chair, Jon Harris, called the Thursday, July 14, 2022, Board meeting to order at 3:31 p.m. which was held by conference call and in-person at the Treasurer's Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

ITEM 1: Agenda approval and announcements

On a motion made by Ms. Pearce, seconded by Ms. Simmons, the Board voted unanimously to approve the agenda.

ITEM 2: Approve the Minutes of:
 • June 22, 2022

On a motion made by Ms. Pearce, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of June 22, 2022.

ITEM 3: VPIC Presentation

Mr. Golonka updated the Board on the progress of the VPIC separation from the Treasurer's Office. Mr. Henry explained the organizational structure and roles of VPIC as well as the metrics of performance used when analyzing investment strategy. He discussed the historical relationship

between evolving capital markets and expected risk and how that relationship affects decision-making in the short and long term. Mr. Henry also updated the Board on management fees as well as ESG factors that VPIC uses when evaluating investments.

Board discussion revolved around the reallocation of assets and strategies used to counteract the current challenges in the global marketplace. Mr. Henry spoke about the positive effects of the consultant transition and how the healthy collaboration between VPIC staff and RVK leads to better decision-making by the VPIC Board. Mr. Golonka discussed that while the new position that was originally in the budget was ultimately struck, he believes that more staff will be needed to ensure proper management of investments.

The VPIC team left the meeting at 4:11 p.m.

ITEM 4: Hearing Officer Contract Extension

Mr. Duggan presented the contract extension for Powers & Powers and explained their role as hearing officers in the disability review process.

On a motion made by Ms. Pearce, seconded by Mr. Raddock, the Board voted unanimously to approve a one-year extension of the Hearing Officer contract with Powers & Powers, as presented by staff.

ITEM 5: Hickok & Boardman Contract Extension

Mr. Duggan presented the contract extension for Hickok & Boardman and explained their role as the health insurance consultants for the Teacher's system.

On a motion made by Ms. Carter, seconded by Mr. Raddock, the Board voted unanimously to approve a one-year extension of the Hickok & Boardman contract for health insurance consulting services, as presented by staff.

ITEM 6: Empower – SDIA Plan Document Updates

Mr. Duggan presented the plan documents for the SDIA (Single Deposit Investment Account). He explained the plan restatement cycle, bringing the plan documents into compliance with certain federal tax codes that have been updated in that time frame. Mr. Duggan also explained that the administration of the SDIA is jointly entrusted to the VSERS and VSTRS Boards.

On a motion made by Mr. Raddock, seconded by Ms. Mings-Lamar, the Board voted unanimously to adopt the SDIA plan restatement (using Adoption Agreement No. 001 with Pre-Approved Defined Contribution Governmental 401(A) Plan Basic Plan Document No. 17), proposed by Empower.

ITEM 7: VBA Update

On a motion made by Ms. Pearce, seconded by Mr. Raddock, the Board voted to enter into

executive session at 4:19 p.m. because premature general public knowledge about the contract negotiations would clearly place the Board at a disadvantage.

The Board came out of executive session at 4:27 p.m.

ITEM 8: VEH Rate Filing

Mr. Duggan updated the Board about the status of the VEHI rate filing.

ITEM 9: Adjournment

Mr. Harris asked that the Board recognize the work of Joe Mackey on the Retirement Board and the VPIC Board. Mr. Duggan will work with staff to draft a document recognizing Mr. Mackey's work.

On a motion made by Ms. Pearce, seconded by Ms. Mings-Lamar, the Board voted unanimously to adjourn at 4:34 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on August 9, 2022 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S B' followed by a stylized flourish.

Stephen Barry
Secretary of the Board
Financial Administrator I